GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Animal Husbandry Department – Poultry Development Policy of Andhra Pradesh 2016 -2020 – Orders – Issued.

ANIMAL HUSBANDRY, DAIRY DEVELOPMENT & FISHERIES (AH-II) DEPARTMENT

G.O.Ms.No.27 **Dated:23-06-2016**

Read:-

From the Head of the Department, Directorate of Animal Husbandry, A.P., Hyderabad, Lr.No.7575/N/2015, dated:12-11-2015.

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ORDER:

The Government of Andhra Pradesh has aimed to achieve Double Digit Inclusive Growth in a mission mode approach. The Primary Sector Mission launched by the Government has identified Livestock sector as one of the growth engines for socio-economic development of the new State of Andhra Pradesh. The Vision 2029 promotes rational exploitation and utilization of the State's resources and agro-climatic conditions in a manner consistent with the overall goal of sustainable development.

2. The Livestock Sector, which provides bulk of the protein to human nutrition, contributes 7% to GSDP which is 26% of Agricultural Domestic Product. Poultry farming in Andhra Pradesh is the most dynamic and fastest growing segment of Agriculture Sector. The Chicken meat and egg being very essential elements of low cost protein in human diets, the Government has considered it necessary to intensify the production from Poultry sector through a comprehensive POULTRY DEVELOPMENT POLICY in the State.

3. The major objectives of the Poultry Development Policy are to enhance the production from commercial broilers, layers, encourage processing of eggs & chicken for value addition and promote exports in partnership with private players. The Policy also aims to promote rearing of low input high technology birds by DWCRA / Self Help Group women.

4. Government with a view to make Andhra Pradesh as the highest egg and poultry meat producing State in the Country with sustainable growth in Poultry Sector for Economic Prosperity and Nutritional Security, hereby introduce the "POULTRY DEVELOPMENT POLICY 2016-2020".

5. Under the Poultry Development Policy 2016-2020, the Government hereby approved the Fiscal incentives covering the categories as detailed below:

The following fiscal incentives are covered in Food Processing Policy 2015-20 approved by Industries and Commerce Department vide G.O.Ms.No.57, Industries & Commerce (Programme-III) Department, dated:24-07-2015, which are administered by Industries and Commerce Department.

5.1. Egg Processing Plant: The Government will offer 25% capital subsidy to the organization / entrepreneurs on the infrastructure required for establishment of egg processing plant subject to a maximum of Rs.5.00 crore as per the provisions of Food Processing Policy of Industries Department. (Clause 14.(b).(i) of Food Processing Policy).

5.2. The Government will also offer interest subsidy on the interest payable over and above 7% of bank interest on the term loans taken for fixed capital investment for a period of 4 years from commencement of commercial operation, limited to Rs.2.00 crore as per the provisions of Food Processing Policy of Industries Department. (Clause 14.(c).(i) of Food Processing Policy).

5.3. Capital Subsidy for setting up of Egg Processing Centers and Egg Collection Centers: The Government will provide Subsidy to an extent of **50%** for setting up of Egg Processing Centers (EPCs) and Egg Collection Centers (ECCs) limited to Rs. 2.50 crore as per the provisions of Food Processing Policy of Industries Department. (Clause 14.(b).(iii) of Food Processing Policy).

5.4. Interest subsidy on term loan for Egg Processing Centres : The Government will provide Interest subsidy on the interest payable over and above 7 % of the bank interest on the term loan taken for Egg Processing Centers (EPCs) and Egg Collection Centers (ECCs) for a period of 4 years from commencement of commercial operations limited to Rs. 1.00 crore as per the provisions of Food Processing Policy of Industries Department. (Clause 14.(c).(ii) of Food Processing Policy).

5.5. Chicken Processing Units: The Government will offer 25% subsidy to the organizations / entrepreneurs on the Infrastructure required for establishment of poultry meat processing units subject to a maximum of Rs. 5.00 Cr as per the provision of Food Processing Policy of Industries Department. (Clause 14.(b).(i) of Food Processing Policy).

5.6. The Government will also offer interest subsidy on the interest payable over and above 7 % of the bank interest on the term loan taken for period of 4 years upto Rs. 2.00 cr. as per the provisions of Food Processing Policy of Industrial Department. (Clause 14.(c).(i) of Food Processing Policy).

5.7. Value Addition to Meat Products: The Government will offer 35% subsidy to the organizations / entrepreneurs on the infrastructure required for setting up of cold chain facilities exclusively for broiler poultry meat limited to Rs. 4.00 Cr. as per the provisions of Food Processing Policy of Industries Department. (Clause 14.(b).(iv) of Food Processing Policy).

5.8. The Government will also offer interest subsidy on the interest payable over and above 7% of the bank interest on the term loan taken for period of 4 years upto Rs. 2.00 cr. as per the provisions of Food Processing Policy of Industrial Department. (Clause 14.(c).(i) of Food Processing Policy).

5.9. Capital Subsidy on equipment for technology upgradation: The Government will provide Subsidy to an extent of 25% on equipment cost for technology up-gradation of existing Food Processing Units limited to Rs.1.00 crore as per the provisions of Food Processing Policy of Industries Department. (Clause 14.(b).(ii) of Food Processing Policy).

5.10. Capital Subsidy for setting up of cold chain facility: The Government will provide Subsidy to an extent of 35% for setting up of cold chain for Egg /meat produce, limited to Rs. 5.00 crore as per the provisions of Food Processing Policy of Industries Department. (Clause 14.(b).(iv) of Food Processing Policy).

5.11. Transportation: Subsidy of 50% for purchase of reefer vehicles to food processing units will be given by the Government up to a maximum limit of Rs.10.00 lakh as per the provisions of Food Processing Policy of Industries Department. (Clause 14.(i) (i)of Food Processing Policy).

5.12. Export Incentives: Reimbursement of 30% of road transport charges till inland container depot (ICD) / port for export of perishable goods by food processing units will be given by the Government with a ceiling of Rs. 5.00 lakh per annum per unit for a period of 3 years from the date of commercial production as per the provisions of Food Processing Policy of Industries Department. (Clause 14. (j) (i) of Food Processing Policy).

Financial implications for the initiatives proposed as part of Food Processing Policy --- Rs 123.05 Crores.

The following fiscal incentives are covered in Micro Small and Medium Enterprises (MSME) Policy-2015-20 and approved by Industries and Commerce Department vide G.O.Ms.No.53 Ind.& Comm. (Programme-I) Department dated 23.7.2015, which are administered by Industries and Commerce Department.

5.13. Tax incentives - VAT/CST/SGST: Net VAT/CST/SGST reimbursements for MSME and large Food Processing Units connected to poultry sector will be as per the MSME Policy 2015-20 of Government of Andhra Pradesh . (Clause 6.(b). of MSME Policy).

5.14. Stamp Duty: 100% reimbursement of stamp duty and transfer duty paid by the industry on purchase or lease of land meant for industrial use will be given as per the provisions of MSME Policy of Industries Department.

100% reimbursement of stamp duty for lease of land /shed / buildings, mortgages and hypothecations will be given as per the provisions of MSME policy of Industries Department. (Clause 6(a) of MSME Policy).

5.15. Marketing Assistance: Reimbursement of 50% cost of participation to maximum of 10 MSME units per year for participating in International Food Processing related trade fairs, will be given with a ceiling of Rs. 5.00 lakh per unit per annum as per the provisions of Food Processing Policy of Industries Department. (Clause 14.(g). of Food Processing Policy).

5.16. Quality certification/Patent registration: Reimbursement of 50% of the cost of certifications such as HACCP, GMP, ISO 9000, ISO 22000, GLP and TQM for Food Processing Units, up to a limit of Rs. 5.00 lakh per unit will be given as per the provisions of Food Processing Policy of Industries Department. (Clause 14.(h) (ii) of Food Processing Policy).

5.17. Reimbursement of expenditure incurred in obtaining patents to the extent of Rs. 10.00 lakh per patent will be given as per the provisions of Food Processing Policy of Industries Department. (Clause 14.(h) (iii) of Food Processing Policy).

The Financial implications for the initiatives proposed as part of Industrial Policy --- Rs 128.86 Crores.

The following Fiscal Incentives are implemented through Animal Husbandry Department :-

5.18. Interest Subsidy towards support for setting up of poultry farms: The State Government will subsidize the interest charged over and above 7 % rate on the loans sanctioned by the commercial banks for establishment of poultry farms.

5.19. Re -Schedulement of Loans: The state Government will recommend to the Central Government in all cases of distress on account of natural calamities to restructure all loans availed by the poultry farmers through SLBC.

5.20. Establishment of an Ultra-Modern Laboratory Facility for Disease Diagnosis in Andhra Pradesh: The infrastructure required for establishment of an ultra modern laboratory will be supported 100% by the Government. The technical man power and the consumables required for running the laboratory shall be supported by the poultry Industry. It will be managed by a SPU in which poultry sector representatives will also be part.

5.21. Training of Man Power: The Government will subsidize the infrastructure required for establishment of training institutes besides offering courses in Veterinary Colleges as per the requirement of poultry farmers. The cost of training and the man power required shall be borne by the sponsoring agencies.

5.22. R & D through Veterinary University: The Government will fully support all R&D projects undertaken in poultry sector sponsored by the poultry organizations involving Veterinary University.

5.23. Poultry Manure as Organic Manure : The Government will offer 50% subsidy subject to a maximum of Rs. 50.00 lakhs per unit of 100 MTs of liquid manure per day to the entrepreneurs for establishment of organic manure plants using poultry manure as raw material.

5.24. Zoning / Compartmentalization: The State Government will recommend to the Central Government to ensure zoning / compartmentalization of the country's geographical area in the light of the disease situation in other states with specific reference to Avian Influenza.

5.25. Power Generation Units: The power generation units using poultry manure as raw material will also be eligible for incentives on par with any other power units generating renewable energy as provided by New & Renewable Energy Development Corporation Ltd of A.P.

5.26. Risk Coverage against all diseases: The State Government will recommend to the Central Government to instruct General Insurance Companies to cover poultry deaths due to diseases and sunstroke under comprehensive poultry insurance policies with reasonable premium rates to be borne by the poultry farmers.

5.27. Relief & Compensation to Poultry farmers in Natural Calamities: The Government will extend relief to the poultry farmers in all cases of calamities as per the norms adopted in NDRF / SDRF and subject to revision of scale of compensation by Government from time to time.

5.28. Support to Small Vendors: The Government will also support small vendors to take up petty businesses in poultry sector such as cold storage vans, meat outlets etc., on 50% subsidy in addition to 4% DRI on loans.

5.29. Additional Support to the units covered under Poultry Venture Capital Fund - EDEG: In addition to the 25% subsidy offered under NLM, additional support from State Government to an extent of another 25% grant as matching subsidy with a ceiling of Rs. 250.00 lakhs per unit will be given to attract more investment into the sector.

5.30. Land Conversion charges: If conversion of land for setting up Poultry Processing unit is permitted by the relevant Government authority, GoAP will provide exemption of one Time Conversion tax for the Non-Agriculture Land Assessment (NALA) tax as applicable as per Revenue Department norms.

5.31. Egg Consumption Promotion Activity: The Government will fully subsidize the cost of pullet eggs supply to the schools and Anganwadis in all the nutritional support programmes.

5.32. IEC – Campaign: The Government will also undertake consumer awareness campaigns in co-ordination with the organizations involved in poultry sector with 100% Government support.

5.33. Multiple Auction of Maize by MARKFED: The State Government will instruct the Marketing Dept. to go for open auction of maize stocked in godowns in the months of January and August every year to help the poultry farmers with a provision of viability gap funding to the MARKFED.

5.34. Promotion of Maize & Soya Cultivation in the State: The Government will ensure maize and soyabean cultivation in the state involving Agriculture Department on the specific request from the poultry organizations about the quantities required every year duly declaring MSP for every season.

5.35. Restriction of live birds for wet market in CRDA Area: The Government will restrict dressing of live birds in open area in CRDA jurisdiction to help maintenance of hygiene and also safe guard the public health through Municipal Administration Department.

5.36. Rural Backyard Poultry: The Government will establish one hatchery in every district with 100% Government investment and also support Mother units one per year per Animal Husbandry division on the subsidy pattern of GoI norms to promote improved strains like Vanaraja, Gramapriya in PPP for rearing chicks.

The Government will also extend similar support for promotion of Aseel breed.

DWCRA (Women SHG) groups will be trained with 100% support from Government to perform poultry vaccination in the villages under the supervision of local veterinarian & SERP officials.

5.37. The Government will also arrange for supply of vaccine doses in small quantities for the use by women SHGs (DWCRA) groups and the financial commitment required if any for the activity will be fully supported by the Government.

5.38. Ducks: Khaki camp bell ducks will be encouraged for rearing on 75% subsidy. Training of duck farmers will also be undertaken on scientific rearing and health care etc. with 100% support from Government.

6. The policies set out in the Food Processing Policy will be adopted in respect of the concessions that are not mentioned in this policy.

The Financial implications for the initiatives through Animal Husbandry Department is 323.55 Crores.

7. **Abstract of Fiscal Incentives (Rs in Crs)**

1. As per Food Processing Policy:		**Rs**	**123.05 Crs**
2. As per Industrial Policy :		**Rs**	**128.86 Crs**
3. Through Animal Husbandry Department:		**Rs**	**323.55 Crs**
The Grand total	**----**	**Rs**	**575.46 Crs**

8. The financial implications for implementation of Poultry Development Policy 2016-2020 is Rs.575.46 crores. Government has provided Rs. 4000.00 lakhs in the budget of A.H Department under Plan proposals during the F.Y. 2016-17, under the item 'Support to Dairy/Sheep/Poultry sector for Infrastructure development and Processing'.

9. Market Development:

Quick service restaurants like KFC, McDonalds etc., will be encouraged which in turn changes food habits and enhance marketing opportunities for processed chicken.

10. Institutional Strengthening:

10.1 A "State Level Steering Committee" shall be constituted in the Animal Husbandry department for effective implementation of Poultry Development Policy.

10.2 A committee headed by Special Chief Secretary, AH, DD & F as Chairman, Director of Animal Husbandry as Member Convener and other major stake holders in Poultry sector and representatives of Agriculture, Marketing, Food Processing and Industries Department as members shall be constituted to deliberate on the issues concerning implementation of Poultry Development Policy.

11. Ease of Doing Business:

In respect of establishment of new poultry farms, egg processing plants, egg storage dry godowns, organic manure plants etc will be a **single desk clearance** for giving clearances through the e-platform of Industries department.

Empowered Committee:

Secretaries headed by Special Chief Secretary, AH,DD&F Department, will screen the applications and accord sanction to the projects covered under the policy with the following as members of the committee.

a) Special Chief Secretary, AHDD&F Department - Chairman
b) Secretary, Finance - Member
c) Secretary, Environment, Forest, Science and & Technology -Member
d) Secretary, Water Resources - Member
e) Secretary, Industries - Member
f) Secretary, Energy and Infrastructure - Member
g) Head of the Department, A.H Department - Member Convener.

12. The detailed policy document is appended as **Annexure.**

13. The Policy will come into operation from the date of issue of this order and shall remain in force for four years or upto 31-03-2020.

14. The Head of the Department, Animal Husbandry Department, A.P. Hyderabad shall take necessary action in the matter accordingly.

15. This Order issues with the concurrence of Finance (FMU-A&C,AH DDF,CS) Department vide their U.O.No.38027/139/FMU(A&CACS)/2016, dated:02.06.2016.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr. MANMOHAN SINGH
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Head of the Department, Animal Husbandry, A.P. Hyderabad.
Copy to:
The Chief Secretary to Government, Planning Department.
The Principal Finance Secretary, Finance Department.
The Special Chief Secretary to Government, PR&RD (RD)Department.
The Special Chief Secretary to Government, EFS & T Department.
The Special Chief Secretary to Government, Co-op and Marketing Department.
The Principal Secretary to Government, Revenue Department.
The Principal Secretary to Government, Energy, I & I Department.
The Principal Secretary to Government, MA&UD Department.
The Principal Secretary to Government, Women Development, C&D Welfare Department.
The Principal Secretary to Government, School Education Department.
The Principal Secretary to Government, Water Resources Department.
The Secretary to Government, Industries & Commerce Department.
The P.S to M (Agri, AH, DD & F).
The P.S to Additional Secretary to C.M.
The P.S to Chief Secretary.
The AGAP, Hyderabad.
The Secretary to GOI, Min of Agri, AHD&F Dept., Krishi Bhawan, New Delhi.
All the District Collectors through HOD, AHD, A.P. Hyderabad.
All the HODs concerned through HOD, AHD, A.P. Hyderabad.
The Convenor, SLBC, Hyderabad.
The Law Department, A.P. Secretariat, Hyderabad.
All Sections in AHDD&F Dept.
The G.A(Cabinet) Department, A.P. Secretariat, Hyderabad (w.r.to Cabinet Resolution No.443/2016).
SF/SC.

//FORWARDED::BY::ORDER//

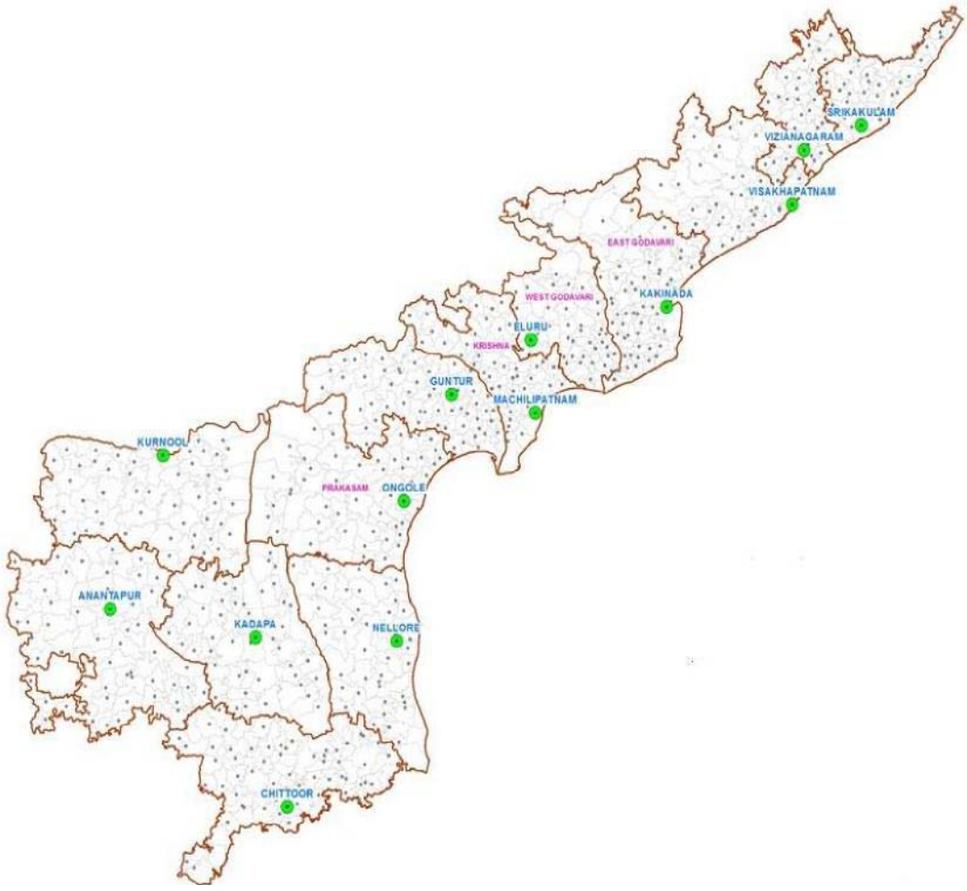
SECTION OFFICER

(Contd….Annexure)

ANNEXURE

(to G.O.Ms.No.27, AH,DD&F(AH-II) Department, Dated:23.06.2016)

POULTRY DEVELOPMENT POLICY 2016-2020



Animal Husbandry Department
Government of Andhra Pradesh

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Executive summary

The Government of Andhra Pradesh has aimed to achieve Double Digit Inclusive Growth in a mission mode approach. The Primary Sector Mission launched by the Government has identified Livestock sector as one of the growth engines for socio-economic development of the new state of Andhra Pradesh. Based upon the clear understanding of concerns and challenges in Primary Sector, specific target oriented strategies have been designed. The Vision 2029 promotes rationale exploitation and utilization of the State's resources and agro-climatic conditions in a manner consistent with the overall goal of sustainable development.

The Livestock Sector, which provides bulk of the protein to human nutrition, contributes 7% to GSDP which is 26% of Agricultural Domestic Product. Poultry farming in Andhra Pradesh is the most dynamic and fastest growing segment of Agriculture Sector. Taking the special initiatives undertaken for Poultry development by the other states in the Country into consideration and the present saturation status reached by the poultry industry in Andhra Pradesh, further growth of the Poultry sector is dependent on the supplementary actions initiated to increase the local consumption, exploring new areas for development and promotion of exports of various poultry products to other countries. The major challenges in Poultry sector are to reduce cost of production and to protect the poultry from emerging diseases. The Chicken meat and egg being very essential elements of low cost protein in human diets, the Government has considered it necessary to intensify the production from Poultry sector through a comprehensive POULTRY DEVELOPMENT POLICY in the State.

The major objectives of the Poultry Development Policy are to enhance the production from commercial broilers, layers, encourage processing of eggs & chicken for value addition and promote exports in partnership with private players. The policy also provides for adoption of appropriate technologies to reduce the cost of production in the sector and aims to increase the availability of trained man power for farm management.

The Policy also aims to promote rearing of low input high technology birds by DWCRA / Self Help Group women.

1.0 Introduction

Andhra Pradesh has 805.83 lakh birds as per Livestock Census 2012, out of 7292.09 lakh birds in the country, of which 436.78 lakh birds are layers and 205.51 lakh birds are broilers besides 159.13 lakh backyard poultry and 4.41 lakh other poultry birds in rural areas.

The contribution of Poultry Sector to GSDP is Rs. 8217.00 cr. as per the Advance Estimate arrived at for the year 2014-15 which is about 20% of the GSDP contribution from Livestock sector of which Rs. 2958 cr. is contributed from eggs and Rs. 5259.00 cr. is from poultry meat. One fifth of the country's egg production is from Andhra Pradesh and about 50% of the meat produced in the State is from Poultry sector alone.

The growth of poultry industry in Andhra Pradesh is phenomenal and now reached a stage of self sufficiency and sophistication in the production of breeding stock, feed, pharmaceuticals, vaccines and equipment to meet the current and future needs. Poultry industry assures us provision of quality protein through eggs & meat and also employment generation.

The entire scenario of poultry farming in the country especially in Andhra Pradesh has undergone a systematic change during the past four decades. It is an organized and scientifically based industry with tremendous employment potential through thousands of poultry farms (both large and

small scale) that have come up all over. The industry has got greatest potential to fight poverty and malnutrition.

A network of hatcheries has been established all over the country to supply quality commercial chicks, which receive their grandparent and parent stocks from internationally reputed breeders, thus ensuring a wide choice in the availability of commercial layer & broiler stocks.

Factors which favored the growth and development of poultry farming in the country are short generation interval of poultry as compared to other livestock species, the availability of quality chicks, scientific method of feeding, management health control and easy access for bank loan etc. Both Government and private sectors have worked hand in hand to attain the present status in Andhra Pradesh.

The poultry industry in India has reached a saturation point in terms of growth rate in broiler industry and number of eggs produced per layer which is among the highest in the world. The future of poultry industry depends entirely on success to increase domestic consumption and exploring export potential. India is 3rd largest eggs producer and 4th largest meat producer in the world.

The egg consumption in Andhra Pradesh @ 99 eggs per annum is 525 cr and at national level, the egg consumption is 7850 cr @ 68 eggs/head /year. As per the National Nutrition Council recommendations, a person should consume 180 eggs/year which amounts to consumption / demand of 954 cr and 23080 cr in Andhra Pradesh and India respectively. By 2020, based on human population projection, it is estimated that about 1010 cr and 24360 cr eggs shall be consumed in Andhra Pradesh and India respectively, which implies that the present growth rate in egg production from 4% and 5% (AP and India) should increase additionally by 6% and 8% (demand is 10.20% and 13% in AP and India) during next four (4) years period to fulfill the NNC recommendations.

Government of Andhra Pradesh has identified Poultry Sector as one of the Growth Engines to increase employment in rural areas and to ensure food security to the masses at the cheapest price, in the shortest possible time.

2.0 Need for a Poultry Development Policy:

High production cost of eggs & meat and uncontrolled disease problems have resulted in negative growth in layer and broiler industries in the recent past. Several poultry farmers are in deep financial crisis and trying to close their farms. Hence it has become necessary to safeguard the interest of poultry industry for future economic prosperity and nutritional support through comprehensive Poultry Development Policy.

3.0 Challenges for Poultry Development

a. Limited local consumption of eggs: About 65% of the eggs produced in the state (850 crore eggs) are sent to other states like Odisha, West Bengal, Bihar, Assam, Nagaland, Tripura, Meghalaya and Arunachal Pradesh, and to cities like Chennai. Only 35% eggs are consumed within the state.

b. Intensification of Poultry Development in Other States: States like U.P, Bihar and Odisha have started establishing new poultry farms recently by offering subsidies, loans at lower rates of interest. Poultry farmers in Andhra Pradesh are likely to face tough competition in near future to sell their products in these states.

c. High Production Costs: Due to increase in prices of feed ingredients, production cost of products from Poultry sector have also gone up in the recent past. Cereal grains like maize, jowar, ragi, rice broken, oil cakes like soyabean cake, groundnut cake, cotton seed cake, rapeseed, sunflower etc are required for preparation of poultry feed which are costing at high prices.

d. Shortage of raw materials: Some of the ingredients used for preparation of poultry feed such as maize are utilized in starch and distillery industries. Soya bean cake is exported through forward trading. As a result, poultry sector is facing tough competition from other industries for these feed ingredients.

e. High Power Consumption charges: Power is one of the main components which increase the production cost that requires consideration for reduction of power consumption charges to reduce cost of production from poultry.

f. Shortage of workforce at poultry farms and Lack of skilled man power: Due to lack of trained man power, required managemental practices are not being followed by the farmers.

g. Lack of local market for frozen meat: Wet market account for more than 95%. Indian consumers do not prefer frozen and packaged chicken.

h. Threat of diseases: Unsanitary conditions at chicken centers and improper disposal of dressing wastes may favor spread of diseases in poultry which is a major challenge to the poultry Industry.

i. Lack of Infrastructure: Basic infrastructure facilities like cold storage, dry godown facilities, reefer vans, packaging, mechanized meat processing units are required for export of eggs and chicken meat.

j. Lack of awareness in scientific rearing of backyard poultry: In the absence of scientific rearing of backyard poultry, these birds may become potential source for spread of diseases to commercial poultry.

k. Poor survivability of rural back yard poultry due to predators and diseases.

4.0. Opportunities for Poultry Development

a. Highest consumer market in the country: India is the biggest consumer market in the world with 1.20 billion human population in the country.

b. Higher purchasing capacities: As the economic status of people improves, the purchasing power will also increase, thus giving a scope for raise in percapita consumption of eggs & meat.

c. Wide gap between consumption and recommendations: As the gap between recommended per capita consumption (eggs-180, meat-11 kg) levels and actual consumption levels (eggs-99, meat-10 kg) is wide, there is great scope for increasing egg and meat consumption.

d. Changing consumption patterns among the youth: On account of high nutritional value of egg and meat, there is great potential for increased consumption of eggs and meat among the youth under the age of 30 years who contribute about 30% of country's population.

e. Scope to produce meat in shortest possible time: Production of chicken meat can be increased with in shortest possible time (Broilers 7-8 weeks) which has no cultural or religious barriers.

f. Cheapest source of protein: Chicken meat is also a rich source of protein available at half the mutton price.

g. Major consumer for agriculture products & by products: Poultry industry in Andhra Pradesh is the major consumer for agriculture products, by-products, rice millers, solvent extraction and mining industries.

h. Efficient utilization of by-products: Poultry industry also utilizes the by-products such as meat meal, bone meal and fish meal which are not used for human consumption.

i. Poultry manure as organic fertilizer: Poultry sector produces about 40 lakh tons of organic manure every year which is used by agriculture farmers. Poultry manure is cheaper than inorganic fertilizers and helps to improve the health of soil.

j. Power generation: Poultry manure can also be used for generating electricity. This power can be treated as clean energy and classified under "Non-Conventional energy source".

k. Efficient Feed Converters: Next to pigs, the broilers are efficient feed converters which can produce more meat per unit of feed consumed than any other animal in livestock sector.

l. Fast paced growth of Organized retail sector: in India resulted in shift from local wet market to organized retail market.

m. Integration for broiler: The key players are moving into vertical integration by setting up retail chains, processing and marketing avenues.

5.0. Scope for Rural Poultry Farming:

The expansion of commercial poultry farming in urban areas has created a wide gap in the availability of eggs and chicken meat between urbanites and malnourished rural / tribal people. Protein deficiency is a common phenomenon in the diets of rural people as their diets are predominantly based on cereals alone which contain high energy and low protein nutrients.

By adopting the rural poultry farming, the high incidence of protein hunger in the rural population particularly in pregnant & lactating mothers and growing kids can be obviated. The backyard poultry farming is more beneficial to small, marginal farmers, land less labourers, tribal and backward areas.

Backyard poultry farming will generate petty cash for house hold requirement in addition to providing a balanced food with in rural areas. Feeding of the backyard poultry is also easy by using household wastes, farm products and green vegetation, besides free scavenging for waste grains and insects.

The eggs and meat of birds reared in the backyard farming fetches premium rates due to high consumer acceptability even in the urban areas even though plenty of eggs and poultry meat from commercial units are available.

Backyard farming utilizes minimum inputs, least human attention and causes less environmental pollution.

These birds can thrive well under adverse environmental conditions like poor housing, poor management and poor feeding. These birds are sturdy and resistant to most of the common poultry diseases because of its high immune competence. Less fat content in meat of these birds makes it acceptable to even aged people.

These birds can perform well with diets high in crude fiber and have better feed efficiency even with diets containing low energy and protein diets with common feed ingredients available in rural / tribal areas like rice bran, broken rice, small millets like finger millet, pearl millet etc.

6.0. Vision

To make Andhra Pradesh as the highest egg and poultry meat producing State in the Country with sustainable growth in Poultry Sector for Economic Prosperity and Nutritional Security.

7.0 Mission

a. To create more domestic demand for eggs by exporting to other countries.
b. Value addition to eggs & chicken by establishing processing plants.
c. To increase domestic consumption of eggs by promoting egg consumption in anganwadis, midday meal programme in schools etc.
d. To reduce cost of production of eggs and chicken.
e. To ensure availability of skilled man power like farm managers, farm supervisors and vaccinators etc.
f. To ensure availability of wholesome poultry meat and poultry meat products.
g. To ensure additional income for SHG / NGO / rural youth through backyard poultry rearing.
h. To create additional market channels for eggs.
i. To create suitable environment that can stimulate further growth of the sector by attracting private investment (PPP model) with an appropriate policy support (Egg powder plant and meat processing plants etc.)
j. To establish disease diagnostic facilities at suitable location for timely and accurate diagnosis of poultry diseases.

8.0. Policy Validity

The Policy has been framed for the period 2016 – 2020.

9.0. Current Scenario in Poultry Sector

9.1.0 Layer

The poultry sector is geared for high growth. The domestic poultry industry in India, currently Rs.19,827 cr. in size, is growing at over 10 percent a year and is likely to reach Rs.50,000 cr. in real terms over the next 10 years. Export markets are also likely to open up due to the fact that the subsidies on agricultural products are phased out internationally under WTO agreements and the new markets like Russia and Eastern Europe open up. Developed well, by making the quality and cost of eggs and poultry meat competitive, India's poultry sector could also capture a significant share of the exports market currently dominated by large exporters such as the US and Thailand.

India has emerged as the only country in the developing world with a self-reliant, technology-driven industry with the capability to produce every essential input for successful poultry farming, including indigenous genetic resource & breeding, world class poultry vaccines & medicines, specific-pathogen-free eggs (SPF), farms & hatchery automation systems, pelleted feed, egg processing, poultry processing, nationwide network of disease diagnostic laboratories & facilities for entrepreneurial development and training in both private & public sectors.

Andhra Pradesh is strongly positioned to capture this growth opportunity. It is India's second largest egg-producing state, accounting for one-fifth of the country's entire egg output; has one of the largest broiler (40 million) and layer (40 million) populations in the country; and enjoys 10 per cent share of total Indian broiler meat production. Because of the intensive poultry activity in the State, the supervisory and above level persons have to be well trained to have sufficient knowledgeable manpower for the poultry industry. Furthermore, maize, a critical input in the poultry value chain is already grown in abundant quantities in Andhra Pradesh. The district wise Egg Production in Andhra Pradesh during the year 2014-15 is as follows.

Sl. No.	**District**	**EGG PRODUCTION (IN LAKH NO's)**		
		DESI	**IMPROVED**	**TOTAL**
1	Srikakulam	530.83	777.91	1308.74
2	Vizianagaram	302.31	2948.06	3250.37
3	Visakhapatnam	531.98	8271.30	8803.27
4	East Godavari	632.10	42355.28	42987.39
5	West Godavari	530.53	23246.73	23777.27
6	Krishna	514.87	19129.23	19644.10
7	Guntur	391.80	12018.73	12410.53
8	Prakasam	1111.51	1097.06	2208.57
9	Nellore	592.42	1101.69	1694.11
10	Chittoor	319.27	9795.71	10114.98
11	Kadapa	321.36	1086.36	1407.72
12	Ananthapur	480.89	1513.68	1994.57
13	Kurnool	374.81	981.94	1356.75
ANDHRA PRADESH		**6634.70**	**124323.66**	**130958.36**

Andhra Pradesh competes with Tamil Nadu for the number one position in poultry production in the country. Poultry sector contributes Rs.90,000 cr. to National GDP and about Rs.8217 cr. to the State's economy. It is essential to encourage this sector not only for the sake of position but also for its efficient growth engine capabilities in rural employment generation and food security to the masses at the cheapest rate, in a short time.

Poultry sector in Andhra Pradesh has 6.27 cr. commercial layer bird capacity with East & West Godavari, Krishna, Guntur districts having the highest layer bird population. Chittoor, Nellore, Vizianagaram, Srikakulam and Visakhapatnam districts are also poultry prominent districts with medium number of layer farms. Prakasam and Kurnool districts have got only little broiler population. There are 26 hatcheries, 22 commercial feed manufacturing mills (excluding feed mixing facilities owned by poultry farmers in their farms), and 29 layer and broiler breeder farms. As already mentioned, Andhra Pradesh produces about 1,310 crore table eggs of which nearly 65% of the eggs produced (i.e. 850 cr. eggs) are sent to various states like Odisha,

West Bengal, Bihar, Assam, Nagaland, Tripura, Meghalaya, Arunachal Pradesh, and to cities like Chennai, daily in trucks. Each truck carries 1.50 to 2.00 lakh eggs packed in pulp / plastic trays and placed in cardboard boxes loaded in trucks to various markets daily, on NECC declared prices. Rest of the eggs are consumed within Andhra Pradesh, with an average of 99 eggs per head per annum, compared to the national average of 68 eggs as against the recommendation of 180 eggs per head per annum as per National Nutrition Council (N.N.C). As the economic status of people improves, the purchasing power will also increase, thus giving a scope for further growth of about 10% per annum in layer sector.

The layer chick supply facilities are more than sufficient to meet the needs of Andhra Pradesh market. Enough commercial feed milling facilities are also available with poultry farming community as well as with commercial feed manufacturing companies. Approximately, 33 lakh tons of poultry feed is consumed every year in the state for feeding layer, broiler and breeding birds. To meet the poultry feed requirements of the state, A.P. requires 16.50 lakh tons of coarse cereals grains like maize, jowar, ragi and by-products like rice broken and cheeru, 8.20 lakh tons of de-oiled cakes like soybean cake, ground nut cake, cotton seed cake, rape seed cake, sunflower cake etc., and about 4.50 lakh tons of DORB per year, all being agricultural by-products. Mineral sources like limestone grit and powder are also used to the extent of about 3.30 lakh tons per year. This huge consumption of agriculture products & by products by the poultry sector will greatly help agriculture farmers, rice millers, solvent extraction industries, and the mining industry in the state to market their products locally.

9.1.1. Employment opportunities through Poultry industry: One worker is required for every 2,000 poultry birds. So, poultry farming sector in the state is creating about 40,000 direct jobs in rural areas. In addition to this, thousands of jobs are also created in hatcheries and feed mills. To transport all the feed ingredients, cull birds and eggs, this sector uses about 3,000 lorries and vans every day, creating employment for about 15,000 people in transport sector alone. About a million jobs are created in rural areas to raise the agricultural crops used as ingredients to produce poultry feed.

Poultry farming supports the agricultural sector by using 70% of the Maize produced in the state (balance quantity of maize is used by starch and distillery industries), offering minimum support price to the maize growers, and helps the rice milling and solvent extraction industries by using their by products like rice broken, cheeru and DORB in poultry feed, and rice husk as bedding material in deep litter poultry sheds.

9.1.2. Export Potential of Poultry Products: India is one of the countries where eggs and chicken are produced at the lowest cost. Cost of production of poultry products is also lowest in Andhra Pradesh. Therefore, export of eggs to neighbouring countries like SAARC Countries and to Middle-East countries is an opportunity which can be explored and supported by the Government. Upgradation of the existing and future port facilities on Andhra Pradesh Coast will facilitate Container transhipments. Dry and cold storages, with cold chain facilities, will also help to develop export of eggs and chicken meat to South East countries like Japan which is one of the highest importer of Liquid eggs and to some extent Shell eggs.

In order to compete in International markets, the available genetic material in the State shall be best utilized for production of eggs and chicken meat which however shall be supported with required infrastructure for exports, freight and packing units. Trade delegations should include entrepreneurs to explore the markets abroad and understand their requirements. Facilities shall also be established at the ports for issuing necessary sanitary and phyto sanitary certificates to facilitate exports.

9.1.3. Skill Development Facilities: Skill development facilities to impart training to the managerial and supervisory staff are also required to be developed which is the need of the hour.

9.1.4. Poultry Development in Other States: States like U.P., Bihar and Odisha have started establishing new poultry farms recently by offering subsidies, loans at lower rates of interest. Poultry farmers in Andhra Pradesh are likely to face tough competition in future, to sell their products in these states, unless the Government offers similar benefits to the poultry farmers of Andhra Pradesh.

9.1.5. Availability of Feed ingredients: Maize and deoiled soyabean meal (SBM) are the major ingredients used in all types of poultry feed. Andhra Pradesh has only one (Rabi) maize crop per annum, while the neighbouring state of Telangana has two crops. The consumers of maize including poultry farmers, starch and distillery companies have to import maize of Kharif crop from Telangana and Bihar. Entire requirement of SBM is at present imported from Maharashtra State as there is no soya bean crop in Andhra Pradesh. This is increasing the cost of poultry feed in Andhra Pradesh compared to that of Telangana State.

9.1.6. Industrial consumers of Maize: The poultry sector in Andhra Pradesh which consumes large quantities of maize as major feed ingredient also competes with maize-based starch plant and distillery units for maize. Adani group from other States is planning to establish one more distillery unit in Andhra Pradesh which will make maize even more scarce and expensive. Steps should be taken to encourage maize farming by making available the best seed and timely irrigation facilities.

9.1.7. Agricultural Status: The poultry sector is neither treated as Industry nor agriculture for the purpose of extending incentives in the state. Some of the neighbouring states have already categorized poultry as “agriculture” for the purpose of extending incentives. Andhra Pradesh should also recognize poultry as an agricultural activity immediately.

9.1.8. Promote Egg Consumption: Neighbouring states like TamilNadu and Odisha are providing eggs in mid-day meal schemes almost on all working days in the schools. Inclusion of eggs every day in Anganwadis and Hostel menus may also be considered. Eggs should also be provided to pregnant and lactating mothers to improve the health of the mother and the child.

9.2.0. Broilers

Andhra Pradesh has 2.06 crore Commercial broiler birds capacity per crop. On an average, 5 crops of commercial broilers are reared in a year. Hence, the total number of commercial broilers raised in a year will be approximately 11 cr. About 1.75 lakh tons of broiler meat is produced every year. As the economic status of people gets improved, the purchasing power will also increase, thus giving a scope for further growth of about 10% in broiler sector.

The present percapita consumption of chicken meat in Andhra Pradesh is 10 kgs per head per annum compared to the national average of 3 kgs as against the National Nutrition Council recommendation of 11 kgs. The percapita consumption in Andhra Pradesh is too low when compared to Brazil and America where it is more than 45 kgs. In Japan, it is 15 kgs. Chicken produced in Andhra Pradesh state also caters to the needs of neighbouring districts of Tamil Nadu, Odisha, Chhattisgarh and Karnataka States.

Most of the broiler chick requirement is met from hatcheries located in Telangana State, due to the fact that most of the broiler breeder farms and hatcheries are located in and around Hyderabad area of combined state.

Chicken meat is also a rich source of protein in the form of healthy white meat which helps to solve the protein malnutrition problem. It has the highest protein content among all other meats and is available at about half of the mutton price. Unlike other meats, chicken meat production can be achieved in shortest possible time and it has no cultural or religious barriers. Beef and pork will not be consumed by all religious groups.

In India, majority of the consumers prefer chicken dressed in front of the consumer. Consumers dislike chilled & packed meat. Wet bird market (live bird market) is more than 95% in India. This results in unsanitary conditions at chicken centres, improper disposal of dressing waste raises public health issues. Street slaughter has to be regulated. Awareness has to be created regarding advantages of mechanized slaughter, chilled and packed meat where manual handling is less, with ante-mortem and post-mortem inspection, with which the meat quality will be good with known microbial load.

In Andhra Pradesh, 70-75 % broiler farmers are in integration system and the remaining are non - integrators. Integrators will supply chick, feed and medicines etc., where as the farmer has to prepare shed and meet electricity & labour expenses by himself. At marketing stage, farmer will be paid based on live weights obtained. Whether an individual farmer or integrator, the chain ends with live birds marketing which is called horizontal integration. However, vertical integration needs to be developed, where live birds are dressed in processing plant and value addition is done. Chicken processing and value addition are the other areas yet to catch up in Andhra Pradesh. Though the processing sector is limited today, which will gradually increase as the percapita income increases due to urbanization.

9.3.0. Desi Birds:

Aseel is an ancient game bird reared in rural areas, and has good meat qualities. This breed has been used for developing improved broiler varieties.

9.4.0. Ducks

Duck farming in Andhra Pradesh is in primitive stage, which is mainly in the hands of nomadic, illiterate, scheduled tribe communities. More than 95% of duck population accounts for indigenous breed. As of now, there is no demand for duck eggs and duck meat in Andhra Pradesh state. The duck farmers will export their eggs to West Bengal state through few traders. Rearing practices are unscientific. Duck eggs fetch better price than chicken eggs.

Ducks are a source of meat & eggs. Ducks are able to grow to maturity on relatively simple diets, based on locally available feedstuffs. Duck meat and duck eggs are good dietary sources of high quality protein, energy and several vitamins & minerals. When properly included as part of a well balanced daily diet, duck meat and eggs can supply a substantial portion of the nutrients required by humans. Ducks may be raised in small or large flocks. A small flock of ducks may be kept by a household as a supplemental source of food or income. Khaki Campbell is an egg producing breed of duck. These breeds are capable of laying in excess of 230, and in some cases, over 300 eggs per year, with moderate body size.

Commercial farming involving Turkey, Guinea fowl, Geese, which accounts for less than 1% of total poultry population is either non-existent or has been an isolated effort.

10.0. Policy Initiatives required to achieve the Mission Objectives:

10.1. Establishment of Egg Processing units: Since Andhra Pradesh state is already surplus in egg production, further growth is possible only when egg consumption and export marketing is promoted which will be achieved by establishing egg processing units within the state, preferably in the proposed food parks by offering suitable incentives on PPP mode.

10.2. Interest subsidy on term loan for fixed capital: The Government will also provide Interest subsidy on the term loan taken for fixed capital investment for food processing units and cold chain infrastructure for a period of 4 years from commencement of commercial operations.

10.3 Capital Subsidy for setting up of Primary Egg Processing Centers and Egg Collection Centers: The Government will provide Subsidy for setting up of Primary Processing Centers (PPCs) and Primary Collection Centers (PCCs). Financial assistance will be given to the entrepreneur to establish centralized egg collection units (Dry ware houses) with grading and packing facilities, to pool the eggs for grading and fix rate as per the quality before actual marketing of eggs to minimize day to day price fluctuations in marketing of eggs.

10.4. Interest subsidy on term loan for Egg Processing units: The Government will also provide Interest subsidy on the term loan taken for Primary Processing Centers (PPCs) and Primary Collection Centers (PCCs) for a period of 4 years from commencement of commercial operations.

10.5. Chicken Processing units: Hygienic poultry processing units will be established in peri urban areas of cities like Chittoor, Vijayawada & Visakhapatnam etc to process dressing of birds on PPP mode. The cost of modern dressing plant which can handle 6000 to 12000 birds per hour will be approximately Rs.100.00 cr. which will be started in PPP mode.

10.6. Value Addition to Meat Products: The State Government will extend subsidy for setting up of cold chain facilities exclusively for broiler poultry meat.

10.7. The State Government will also offer interest subsidy on the term loan taken on value addition units for a period of 4 years from commencement of the commercial operations.

10.8. Capital Subsidy on equipment for technology upgradation: The Government will provide Subsidy on the equipment for technology up-gradation.

10.9. Capital Subsidy for setting up of cold chain facility: The Government will provide Subsidy for setting up of cold chain facility for storage of Egg / Meat .

10.10. Tax incentives -VAT / CST / SGST: The Government will provide tax incentives for MSME and large food processing units connected to poultry sector. Net VAT / CST / SGST will be reimbursed to the eligible unit as per the MSME Policy 2015-20 and Industrial Development Policy 2015-20 of Government of Andhra Pradesh respectively.

10.11. Stamp Duty: (a) The government will provide relief to the entrepreneur for reimbursement of stamp duty and transfer duty paid by the industry on purchase or lease of land meant for industrial use. The Government will also provide relief to the entrepreneur for reimbursement of stamp duty for lease of land /shed /buildings, mortgages and hypothecations. All the reimbursements will be processed within 6 months.

10.12. Marketing Assistance: The Government will provide Assistance in the form of reimbursement of 50% of cost of participation to maximum of 10 MSME units per year for participating in International Food Processing related trade fairs.

10.13. Quality certification / Patent registration: (a) The Government will extend assistance to the entrepreneur in the form of reimbursement of the cost of certifications such as HACCP, GMP, ISO 9000, ISO 22000, GLP and TQM for food processing units.

10.14. The Government will also provide assistance for reimbursement of expenditure incurred in obtaining patents.

10.15. Transportation: The Government will provide assistance to the entrepreneur for the purchase of reefer vehicles to food processing units.

10.16. Export Incentives: The Government will provide assistance to the entrepreneur for reimbursement of road transport charges till inland container depot (ICD) / port for export of perishable goods by food processing units.

10.17. Interest Subsidy towards support for setting up of Poultry farm: The State Government will also subsidize the interest on loans taken from commercial banks for establishment of poultry farms. The interest charged over and above 7 % rate, will be subsidized by the State Government.

10.18. Restructuring of loan availed by the Poultry Farmers: Restructuring of loans availed by the famers in poultry sector in natural calamities. The State Government will recommend to the Central Government in all cases of distress on account of natural calamities to restructure all loans availed by the poultry farmers through SLBC.

10.19. Establishment of an Ultra-Modern Laboratory Facility for Disease Diagnosis in A.P.: The Government will establish an ultra-modern laboratory with required equipment that can carry out bacteriological, mycological, histo-pathological, feed analytical, serological tests with facilities to isolate and identify the virus. The lab will also have the facilities to detect heavy metals, pesticide and antibiotic residues.

10.20. Training School: A State-of-the-Art Training school will be started either in the Government Sector or encourage Private sector to start on the lines of Institute of Poultry Management and Technology (IPMT), Pune to develop skilled man power to work for breeding farms, commercial poultry farms and hatcheries. The institute will have the facilities to provide necessary practical training for the trainees who should spend half of the time in class room and the remaining time in the farms, feed plant etc., operated by this Institute.

10.21. R & D through Veterinary University: The Government will invest for all R&D projects undertaken in poultry sector sponsored by the poultry organizations involving Veterinary University.

10.22. Poultry Manure as Organic Manure: The Government will also encourage the entrepreneurs to establish facilities for converting poultry manure into organic manure each unit that can produce 100 MTs of Liquid Manure / day.

10.23. Zoning / Compartmentalization: The State Government will recommend to the Central Government regarding Zoning / compartmentalization to help the poultry industry in view of the disease situation in other states with specific reference to Avian Influenza.

10.24. Power Generation Units with Poultry Manure: The Government will offer incentives to the entrepreneurs who wish to establish power generation units with poultry manure as raw material on par with any other energy units generating renewable energy.

10.25. Risk Coverage against all diseases: The Government of Andhra Pradesh will recommend to the Central Government to direct General insurance Companies to cover poultry deaths due to diseases and sunstroke also under poultry insurance Schemes with reasonable premium rates.

10.26. Relief & Compensation to Poultry Farmers in Natural Calamities: The Government will adopt norms prescribed for extending relief to the poultry farmers as per NDRF/SDRF norms in cases of calamities subject to revision of scale of compensation by Government from time to time.

10.27. Support to Small Vendors: The Government will also support small vendors to take-up petty businesses by offering subsidy on the units in poultry sector besides offering 4% DRI on loans.

10.28. Additional support to the units covered under Poultry Venture Capital Fund EDEG: As the dose of assistance offered for Poultry Venture Capital Fund - EDEG through National Livestock Mission (NLM) is not attractive enough to promote entrepreneurship, an additional subsidy will also be extended by State Government as matching subsidy to attract more investment into the sector.

10.29. Land Conversion charges: If conversion of land for setting up Poultry Processing unit is permitted by the relevant Government authority, GoAP will provide exemption of one time conversion Tax for the Non-Agriculture Land Assessment (NALA) tax as applicable through Revenue Department.

10.30. Promotion of Egg Consumption: The Government will promote consumption of eggs in all relevant Government Schemes (Mid day meal programme and in Anganwadis schemes) on par with other states like TamilNadu where eggs are consumed daily in schools in Mid day meal programme. Sourcing of pullet eggs directly from farmers / centralized egg collection units will also be considered.

10.31. IEC - Campaign : The Government will undertake consumer awareness Campaign in co-ordination with the organizations involved in poultry sector.

10.32. Multiple Auctions of Maize by MARKFED: The Government will instruct the Marketing Department to go for open auction of maize stocked in the godown in the months of January and August every year to help the poultry farmers with a provision for viability gap funding to the MARKFED.

10.33. Promotion of Maize and Soya cultivation in the State:
The Government will encourage maize and soya bean cultivation in the State in selected pockets by involving Agriculture department based on the specific request from the poultry organizations about the quantities required every year duly declaring MSP for every season.

10.34. Restriction of live birds for wet market: The Government will restrict dressing of live birds in open areas of CRDA area to help maintenance of hygiene and also safe guard the public health through Municipal Administration department.

10.35. Rural Backyard Poultry and Establishment of Hatcheries and Mother Units: The Government will establish hatcheries and mother units in each district to promote improved strains like Vanaraja, Grampriya etc. in PPP mode for rearing of back yard poultry.

The Government will also encourage promotion of Aseel breed in the villages as an enterprising activity as there is great demand for meat from country birds in urban areas.

10.36. Ease of doing Country Fowl Vaccination:- The Government will train DWCRA groups for performing poultry vaccinations in the villages under the supervision of local Veterinarian.

10.37. Vaccine Supply in smaller vials: The Government will also arrange for supply of vaccine doses in limited quantities for the use by DWCRA groups.

10.38. Ducks: Rearing of Khaki Camp Bell ducks and Training of duck farmers will also be undertaken on scientific rearing and health care etc.

10.39. Waival of Hypothecation and Mortgage Charges: The Government will waive 0.5% Hypothecation charges and 0.5% mortgage charges to reduce cost of capital to the farmers and also to remove hassles involved in the process.

10.40. Single Window Clearance: Government will introduce a Single Window clearance System to assist the entrepreneurs to establish new poultry farms to get all clearances with regard to power, licenses, finance etc., within the time line prescribed.

11.0. Infrastructure Strengthening / Development

11.1. Egg Processing Plant: The Government will promote establishment of an egg powder plant in PPP mode. Investment required for an egg powder plant with a capacity of about 10 lakh eggs per shift will be Rs. 65.00 cr. Upland areas of East or West Godavari and Krishna districts are suitable for establishment of egg powder plant as maximum egg production is from these areas. Already 3 egg powder plants are existing in India. Balaji egg powder plant at Hyderabad is in Telangana state which has got the capacity to process 10-12 lakhs eggs per shift and is exporting egg powder to Japan, UAE and Indian Army at Jammu & Kashmir state. Another unit at Erode is owned by SKM group with a capacity to handle 18 lakh eggs per shift. The other unit is in Bangalore. Avian Influenza is a major threat for the activity and export of egg powder is not permitted during the outbreak of Avian Influenza.

11.2. Egg Storage dry Godowns: The Government will promote establishment of dry egg storage godowns at all needy places in the State on PPP mode involving entrepreneurs in poultry sector to check the fluctuations in egg prices.

11.3. Meat Processing Plant: Poultry Meat processing units will be established in peri urban areas of cities like Chittoor, Vijayawada & Visakhapatnam etc. The cost of modern dressing plant which can handle 6000 to 12000 birds per hour will be approximately Rs.100.00 cr. which will be started in PPP mode.

11.4. Establishment of Laboratories at Ports: The Government will establish Laboratories required at all ports in the State to have a check on all imports and exports related to poultry sector to ensure sanitary and phyto sanitary measures.

11.5. Strengthening of Animal Disease Diagnostic Laboratories: Animal Disease Diagnostic Laboratories in East Godavari, West Godavari, Krishna, Guntur and Chittoor Districts will be strengthened with advanced Poultry Disease Diagnostic facilities and Virus isolation facilities and poultry disease experts will also be made available at district level.

11.6. Poultry Training Institute: Andhra Pradesh Centre for Advanced Research on Livestock **(**APCARL) at Pulivendula and the 3 Veterinary Colleges located in the State of Andhra Pradesh will organize 3-months and 6-months duration Certificate courses, and 12 month duration Diploma Course in PPP to provide practically trained skilled manpower to the poultry farms, breeding farms, hatcheries and feed mills.

12.0. Fiscal incentives to achieve double digit inclusive growth in poultry sector

The following fiscal incentives are covered in Food Processing Policy 2015-20 approved by Industries and Commerce Department vide G.O.Ms.No.57, Industries & Commerce (Programme-III) Department, dated:24-07-2015, which are administered by Industries and Commerce Department.

12.1. Egg Processing Plant: The Government will offer 25% capital subsidy to the organization / entrepreneurs on the infrastructure required for establishment of egg processing plant subject to a maximum of Rs.5.00 crore as per the provision of Food Processing Policy of Industries Department. (Clause 14.(b).(i) of Food Processing Policy).

12.2. The Government will also offer interest subsidy on the interest payable over and above 7% of bank interest on the term loans taken for fixed capital investment for a period of 4 years from commencement of commercial operation, limited to Rs.2.00 crore as per the provisions of Food Processing Policy of Industries Department. (Clause 14.(c).(i) of Food Processing Policy).

12.3. Capital Subsidy for setting up of Egg Processing Centers and Egg Collection Centers: The Government will provide Subsidy to an extent of **50%** for setting up of Egg Processing Centers (EPCs) and Egg Collection Centers (ECCs) limited to Rs. 2.50 crore as per the provisions of Food Processing Policy of Industries Department. (Clause 14.(b).(iii) of Food Processing Policy)

12.4. Interest subsidy on term loan for Egg Processing Centres : The Government will provide Interest subsidy on the interest payable over and above 7 % of the bank interest on the term loan taken for Egg Processing Centers (EPCs) and Egg Collection Centers (ECCs) for a period of 4 years from commencement of commercial operations limited to Rs. 1.00 crore as per the provisions of Food Processing Policy of Industries Department. (Clause 14.(c).(ii) of Food Processing Policy)

12.5. Chicken Processing Units: The Government will offer 25% subsidy to the organizations / entrepreneurs on the Infrastructure required for establishment of poultry meat processing units subject to a maximum of Rs. 5.00 Cr as per the provision of Food Processing Policy of Industries Department. (Clause 14.(b).(i) of Food Processing Policy)

12.6. The Government will also offer interest subsidy on the interest payable over and above 7 % of the bank interest on the term loan taken for period of 4 years upto Rs. 2.00 cr. as per the provisions of Food Processing Policy of Industrial Department. (Clause 14.(c).(i) of Food Processing Policy)

12.7. Value Addition to Meat Products: The Government will offer 35% subsidy to the organizations / entrepreneurs on the infrastructure required for setting up of cold chain facilities exclusively for broiler poultry meat limited to Rs. 4.00 Cr. as per the provisions of Food Processing Policy of Industries Department. (Clause 14.(b).(iv) of Food Processing Policy)

12.8. The Government will also offer interest subsidy on the interest payable over and above 7% of the bank interest on the term loan taken for period of 4 years upto Rs. 2.00 cr. as per the provisions of Food Processing Policy of Industrial Department. (Clause 14.(c).(i) of Food Processing Policy)

12.9. Capital Subsidy on equipment for technology upgradation: The Government will provide Subsidy to an extent of 25% on equipment cost for technology up-gradation of existing Food Processing Units limited to Rs.1.00 crore as per the provisions of Food Processing Policy of Industries Department. (Clause 14.(b).(ii) of Food Processing Policy)

12.10 Capital Subsidy for setting up of cold chain facility: The Government will provide Subsidy to an extent of 35% for setting up of cold chain for Egg /meat produce, limited to Rs. 5.00 crore as per the provisions of Food Processing Policy of Industries Department. (Clause 14.(b).(iv) of Food Processing Policy)

12.11 Transportation: Subsidy of 50% for purchase of reefer vehicles to food processing units will be given by the Government up to a maximum limit of Rs.10.00 lakh as per the provisions of Food Processing Policy of Industries Department. (Clause 14.(i) (i)of Food Processing Policy)

12.12 Export Incentives: Reimbursement of 30% of road transport charges till inland container depot (ICD) / port for export of perishable goods by food processing units will be given by the Government with a ceiling of Rs. 5.00 lakh per annum per unit for a period of 3 years from the date of commercial production as per the provisions of Food Processing Policy of Industries Department. (Clause 14. (j) (i) of Food Processing Policy)

Financial implications for the initiatives proposed as part of Food Processing Policy --- Rs 123.05 Crores

The following fiscal incentives are covered in Micro Small and Medium Enterprises (MSME) Policy-2015-20 and approved by Industries and Commerce Department vide G.O.Ms.No.53 Ind.& Comm. (Programme-I) Department dated 23.7.2015, which are administered by Industries and Commerce Department.

12.13. Tax incentives - VAT/CST/SGST: Net VAT/CST/SGST reimbursements for MSME and large Food Processing Units connected to poultry sector will be as per the MSME Policy 2015-20 of Government of Andhra Pradesh . (Clause 6.(b). of MSME Policy)

12.14. Stamp Duty: 100% reimbursement of stamp duty and transfer duty paid by the industry on purchase or lease of land meant for industrial use will be given as per the provisions of MSME Policy of Industries Department.

100% reimbursement of stamp duty for lease of land /shed / buildings, mortgages and hypothecations will be given as per the provisions of MSME policy of Industries Department. (Clause 6(a) of MSME Policy)

12.15. Marketing Assistance: Reimbursement of 50% cost of participation to maximum of 10 MSME units per year for participating in International Food Processing related trade fairs, will be given with a ceiling of Rs. 5.00 lakh per unit per annum as per the provisions of Food Processing Policy of Industries Department. (Clause 14.(g). of Food Processing Policy)

12.16. Quality certification/Patent registration: Reimbursement of 50% of the cost of certifications such as HACCP, GMP, ISO 9000, ISO 22000, GLP and TQM for Food Processing Units, up to a limit of Rs. 5.00 lakh per unit will be given as per the provisions of Food Processing Policy of Industries Department. (Clause 14.(h) (ii) of Food Processing Policy)

12.17. Reimbursement of expenditure incurred in obtaining patents to the extent of Rs. 10.00 lakh per patent will be given as per the provisions of Food Processing Policy of Industries Department. (Clause 14.(h) (iii) of Food Processing Policy)

The Financial implications for the initiatives proposed as part of Industrial Policy --- Rs 128.86 Crores

The Fiscal Incentives proposed to be implemented through Animal Husbandry Department :-

12.18. Interest Subsidy towards support for setting up of poultry farms: The State Government will subsidize the interest charged over and above 7 % rate on the loans sanctioned by the commercial banks for establishment of poultry farms.

12.19. Re -Schedulement of Loans: The state Government will recommend to the Central Government in all cases of distress on account of natural calamities to restructure all loans availed by the poultry farmers through SLBC.

12.20. Establishment of an Ultra-Modern Laboratory Facility for Disease Diagnosis in Andhra Pradesh: The infrastructure required for establishment of an ultra modern laboratory will be supported 100% by the Government. The technical man power and the consumables required for running the laboratory shall be supported by the poultry Industry (will be run through SPU which will include representatives of poultry sector).

12.21. Training of Man Power: The Government will subsidize the infrastructure required for establishment of training institutes besides offering courses in Veterinary Colleges as per the requirement of poultry farmers. The cost of training and the man power required shall be borne by the sponsoring agencies.

12.22. R & D through Veterinary University: The Government will fully support all R&D projects undertaken in poultry sector sponsored by the poultry organizations involving Veterinary University.

12.23. Poultry Manure as Organic Manure : The Government will offer 50% subsidy subject to a maximum of Rs. 50.00 lakhs per unit of 100 MTs of liquid manure per day to the entrepreneurs for establishment of organic manure plants using poultry manure as raw material.

12.24. Zoning / Compartmentalization: The State Government will recommend to the Central Government to ensure zoning / compartmentalization of the country's geographical area in the light of the disease situation in other states with specific reference to Avian Influenza.

12.25. Power Generation Units: The power generation units using poultry manure as raw material will also be eligible for incentives on par with any other power units generating renewable energy as provided by New & Renewable Energy Development Corporation Ltd of A.P.

12.26. Risk Coverage against all diseases: The State Government will recommend to the Central Government to instruct General Insurance Companies to cover poultry deaths due to diseases and sunstroke under comprehensive poultry insurance policies with reasonable premium rates to be borne by the poultry farmers.

12.27. Relief & Compensation to Poultry farmers in Natural Calamities: The Government will extend relief to the poultry farmers in all cases of calamities as per the norms adopted in NDRF / SDRF and subject to revision of scale of compensation by Government from time to time.

12.28. Support to Small Vendors: The Government will also support small vendors to take up petty businesses in poultry sector such as cold storage vans, meat outlets etc., on 50% subsidy in addition to 4% DRI on loans.

12.29.Additional Support to the units covered under Poultry Venture Capital Fund - EDEG: In addition to the 25% subsidy offered under NLM, additional support from State Government to an extent of another 25% grant as matching subsidy with a ceiling of Rs. 250.00 lakhs per unit will be given to attract more investment into the sector.

12.30.Land Conversion charges: If conversion of land for setting up Poultry Processing unit is permitted by the relevant Government authority, GoAP will provide exemption of one Time Conversion tax for the Non-Agriculture Land Assessment (NALA) tax as applicable as per Revenue Department norms.

12.31.Egg Consumption Promotion Activity: The Government will fully subsidize the cost of pullet eggs supply to the schools and Anganwadis in all the nutritional support programmes.

12.32.IEC - Campaign: The Government will also undertake consumer awareness campaigns in co-ordination with the organizations involved in poultry sector with 100% Government support.

12.33. Multiple Auction of Maize by MARKFED: The State Government will instruct the Marketing Dept. to go for open auction of maize stocked in godowns in the months of January and August every year to help the poultry farmers with a provision of viability gap funding to the MARKFED.

12.34. Promotion of Maize & Soya Cultivation in the State: The Government will ensure maize and soyabean cultivation in the state involving Agriculture Department on the specific request from the poultry organizations about the quantities required every year duly declaring MSP for every season.

12.35. Restriction of live birds for wet market in CRDA Area: The Government will restrict dressing of live birds in open area in CRDA jurisdiction to help maintenance of hygiene and also safe guard the public health through Municipal Administration Department.

12.36. Rural Backyard Poultry: The Government will establish one hatchery in every district with 100% Government investment and also support Mother units one per year per Animal Husbandry division on the subsidy pattern of GoI norms to promote improved strains like Vanaraja, Gramapriya in PPP for rearing chicks.

The Government will also extend similar support for promotion of Aseel breed.

DWCRA (Women SHG) groups will be trained with 100% support from Government to perform poultry vaccination in the villages under the supervision of local veterinarian & SERP officials.

12.37. The Government will also arrange for supply of vaccine doses in small quantities for the use by women SHGs (DWCRA) groups and the financial commitment required if any for the activity will be fully supported by the Government.

12.38. Ducks: Khaki camp bell ducks will be encouraged for rearing on 75% subsidy. Training of duck farmers will also be undertaken on scientific rearing and health care etc. with 100% support from Government.

The policies set out in the Food Processing Policy will be adopted in respect of the concessions that are not mentioned in this policy.

The Financial implications for the initiatives proposed through Animal Husbandry Department is 323.55 Crores .

Abstract of Fiscal Incentives (Rs in Crs) proposed

1. As per Food Processing Policy:		**Rs 123.05 Crs**
2. As per Industrial Policy :		**Rs 128.86 Crs**
3. Through Animal Husbandry Department:		**Rs 323.55 Crs**
The Grand total	**----**	**Rs 575.46 Crs**

13.0. Market Development:

Quick service restaurants like KFC, McDonalds etc., will be encouraged which in turn changes food habits and enhance marketing opportunities for processed chicken.

14.0. Institutional Strengthening

14.1. Monitoring is an essential component for successful implementation of the policy. A "State Level Steering Committee" shall be constituted in the Animal Husbandry department for effective implementation of Poultry Development Policy.

14.2. A committee headed by Special Chief Secretary, AH, DD & F as Chairman, Director of Animal Husbandry as Member Convener and other major stake holders in Poultry sector and representatives of Agriculture, Marketing, Food Processing and Industries Department as members shall be constituted to deliberate on the issues concerning implementation of Poultry Development Policy.

15.0. Ease of Doing Business: In respect of establishment of new poultry farms, egg processing plants, egg storage dry godowns, organic manure plants etc will be a **single desk clearance** for giving clearances through the e-platform of Industries department.

Empowered Committee: Secretaries headed by Special Chief Secretary, AH,DD&F Department, will screen the applications and accord sanction to the projects covered under the policy with the following as members of the committee.

a) Special Chief Secretary, AHDD&F Department - Chairman
b) Secretary, Finance - Member
c) Secretary, Environment, Forest, Science and & Technology- Member
d) Secretary, Water Resources - Member
e) Secretary, Industries- Member
f) Secretary, Energy and Infrastructure- Member
g) Head of the Department, Animal Husbandry Department - Member Convener.

15.0. Policy Outcomes

The implementation of Poultry Development Policy 2016-20 is expected to yield the following outcomes.

a. Farmers will get support prices for their products (eggs and meat) and make the poultry farming sustainable.
b. Local egg consumption will be increased.
c. Poultry meat consumption will be increased, more number of poultry farms will be established and egg production will be increased.
d. Supplementary income and nutrition to the BPL families.
e. Additional employment opportunities to rural youth.
f. Support prices to Maize producing farmers.
g. Reduction in malnutrition and protein deficiency in children.
h. Export potential of eggs and egg powder to other countries will be possible.
i. Promotion of value addition to meat and its products.
j. Availability of eggs and chicken will be increased in rural areas by promoting back yard poultry breeds like vanaraja etc.,
k. Additional employment opportunities to DWCRA women in rearing of backyard poultry.
l. Trained additional skilled man power like farm Managers, farm supervisors and vaccinators will be available to poultry sector.
m. Proper diagnostic facilities will be available for identification of poultry diseases.
n. Wholesome chicken meat and meat products will be available in urban areas.

Annexure

Poultry Development Policy - Financial Implications

Sl. No	Unit / Activity	Physical Nos Proposed	Financial Outlay (Rs Cr)			Remarks
			2016-17	2017-20	Total	
1	Egg Processing Plant	2	7	7	14	Food Processing Policy
2	Egg Storage Dry Godowns	10	10.5	24.5	35	-do-
3	Chicken Processing Units	6	14	28	42	-do-
4	Value Addition to Meat Products	2	6	0	6	-do-
5	Interest Subvention	0	40	88	128	AH Dept
6	Poultry Manure as organic Manure Units	10	0	3	3	AH Dept
7	Infra structure support	-	6.1	19.95	26.05	Food Processing Policy
8	Ultra-Modern Disease Diagnosis Laboratory	1	0	5	5	AH Dept.
9	Support to Small Vendors	10000	10	90	100	-do-
10	Backyard Poultry Development	150000	10.06	77.24	87.30	-do-
11	Tax incentives/Stamp duty	---	11.23	114.23	125.46	Industries Dept
12	Marketing assistance for trade fairs/ Quality certification/Patent registration	---	0.8	2.6	3.4	Industries Dept
13	Egg consumption promotion activity	---	0.05	0.20	0.25	AH Dept.
	Total		115.74	459.72	**575.46**	

Cost Benefit Ratio: The Revenue Generation and Employment Generation due to the investments in Poultry Sector is as follows:

S No	Unit / Activity	Numbers of Units		Capital & Interest subsidy (in crores INR)		Revenue Generation (in crores INR)		Employment Generation (in numbers)	
		2016-2017	**2017-2020**	**2016-2017**	**2017-2020**	**2016-2017**	**2017-2020**	**2016-2017**	**2017-2020**
1	Egg Processing Plant	1	1	7	7	65	520	370	370
2	Egg Storage Dry Godowns	3	7	10.5	24.5	21	224	60	140
3	Chicken Processing Units	2	4	14	28	400	4400	2600	5200
4	Value Addition to Meat Products	1	1	6	0	70	560	80	80
5	Interest subvention	~	~	40	88	140	0	~	~
6	Infrastructure Support	~	~	6.1	27.95	0	0	~	~
7	Support to Small Vendors and Backyard Poultry	30000	130000	20.06	167.24	75	300	30000	130000
8	Tax incentives/Stamp duty	-	-	11.23	114.23	-	-	-	-
9	Marketing assistance for trade fairs/ Quality certification/Patent registration	-	-	0.8	2.6	-	-	-	-
10	Egg consumption promotion activity	-	-	0.05	0.20	-	-	-	-
	Total			**115.74**	**459.72**	**771**	**6004**	**33110**	**135790**

Thus, an investment of Rs. 575.46.00 Cr. by the Government through implementation of Poultry Development Policy will result in additional revenue generation of Rs. 6,775.00 Cr. to the State Income during next four years in addition to the generation of direct employment of 168900 families and indirect employment of about 6 lakh families in the state.

Dr. MANMOHAN SINGH
SPECIAL CHIEF SECRETARY TO GOVERNMENT

//FORWARDED::BY::ORDER//

SECTION OFFICER